

January 19, 2001

Mr. Ronald D. Byrd, P.E.
Senior Consultant
Stantec Consulting, Inc.
950 Industrial Way
Sparks, Nevada 89431

Re: Reno Retrac

Dear Mr. Byrd:

This letter is in response to your request for an analysis of the potential resale value of certain properties located in the Reno Retrac Railroad Corridor Project, upon completion of construction of the project. Four of the properties involve leasehold estates, and are summarized in the following chart. This chart includes the location of the subject property, owner of record, type of ownership, an estimate of the preliminary value range, the type of acquisition, and an estimate of the preliminary right-of-way acquisition amount, as set forth in our appraisal report, dated January 19, 2001.

SELECTED LEASEHOLD ACQUISITIONS

ID#	Assessor's Parcel Number Location	Owner of Record	Type of Ownership	Preliminary Value Range
A	006-290-32 1925 Dickerson Road	Patrick & Janet Hamill	Leasehold	\$252,000 to \$311,000
B	006-223-12 265 Keystone Avenue	Skillssource Inc. of Nevada	Leasehold	\$187,000 to \$283,000
C	011-350-19 260 Winter Street	William Garecht Family Trust	Leasehold	\$286,00 to \$318,000
D	008-360-17 111 Morrill Avenue	Western Sealing and Striping	Leasehold	\$0 to \$44,000
	TOTAL SELECTED LEASEHOLDS			\$725,000 to \$956,000

The fifth parcel involves the acquisition of a Fee Simple Estate of the real property located at 264 Keystone Avenue. The pertinent information with respect to this subject property is summarized below.

SELECTED FEE SIMPLE ACQUISITION

ID#	Assessor's Parcel Number Location	Owner of Record	Type of Ownership	Preliminary Value Range
E	011-350-30 264 Keystone Avenue	Frank M. and Frances A. Lepori	Fee Simple Estate	\$932,000 to \$999,000
	TOTAL, SELECTED FEE SIMPLE			\$932,000 to \$999,000

The potential resale of the identified Leasehold Estates ranges from \$725,000 to \$956,000, while the potential resale value of the Fee Simple Estate ranges from \$932,000 to \$999,000. To summarize, there exists the potential resale of the identified Leasehold and Fee Simple Estates ranging from \$1,657,000 to \$1,955,000.

In analyzing the potential resale value of the identified subject properties, it is recognized that certain holding costs will be incurred by the acquiring agency during the construction period, including utilities, insurance, security, etc. In addition, the acquiring agency will have certain costs which will be incurred as a result of the disposition of the identified parcels, including advertising, marketing, real estate commissions and administrative costs. It is beyond the scope of this assignment to project the holding and dispositions costs which would be incurred by the acquiring agency.

It should also be noted that given the age, quality, design and location of the identified subject properties, that an extended marketing period may be expected.

In addition, the feasibility of resale of the identified properties may be impacted by the final design of the project and field surveys of the individual subject properties. The reader is reminded that the valuation analysis as set forth herein is intended to be utilized in conjunction with our previously submitted appraisal reports, and is subject to modification upon preparation of complete appraisals of the subject properties.

We hope the above analysis is of assistance to you. Should you have any additional questions in regard to this matter, please contact us.

Respectfully submitted,

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License Number 00120

Cindy Lund Fogel, MAI
Nevada Certified General Appraiser
License Number 02312

Paul Oliphint
Nevada Registered Intern Appraiser
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